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CALIFORNIA PARTNERSHIP NEWS

A PROGRAM OF THE CALIFORNIA DEPARTMENT OF HUMAN SERVICES



Message from the Director

Sandra Pierce-Miller

I hope everyone is having a great and not too hot summer. It was a joy to see and talk to so many of you at our May Agent Seminars. We apologize to those of you we had to turn away. We had not anticipated having so many "walk-ins". Your attendance and evaluations show that you value these advanced training seminars. Next year we will look for larger facilities and recommend that you register as soon as possible if you want to take advantage of this CE requirement option. I also want to thank those of you who have called and inquired about my husband's recovery (as well as mine as his caregiver!). Mike is doing splendidly. Hey, care-giving is hard, particularly without the benefit of a long-term care insurance policy, which, of course, because of his MS, Mike does not own.

Good news, the SB 898 products for most companies, and all Partnership companies, are now available for distribution in California. These policy premiums are much less likely to require significant increases. I believe the process of requiring all policy premiums to undergo actuarial review indirectly improved the policy premium review that has always been required on Partnership policies. The Partnership still leads the pack in other protections against rate increases.

Remember that SB 898 requires insurers requesting a rate increase of

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LTC INSURANCE: PARTNERSHIP PLANS DESIGNING FOR DIGNITY

by Karen Shoff, MSW, MSG, LUTCF

When I think of the way my father was treated in the nursing home, my blood boils and I feel ill because I didn't know any better. I know that having my father in that expensive nursing home was not honoring him, and I intend to make better choices for my own life so that I won't have to suffer the indignities that he suffered.

—From Sarah's story as told in *There's No Place Like a Nursing Home*, Shoff, 2003.

The vast majority of Americans desire to receive their long-term care at home and to avoid institutional settings. Having been a professional social worker and gerontologist prior to my insurance career, I am convinced that proper home care is vastly superior to nursing home care. Agents can powerfully and positively impact the lives of others by enabling them to take steps to remain at home when care is needed.

The focus of this article is to provide you with the necessary tools to assist the majority of your clients in achieving this goal. Because the subject is quite involved and can be covered only briefly in this article, I recommend that for details on each subject discussed here, you read my new book *There's No Place Like a Nursing Home: 4 Powerful Steps That Will Change Your Life*.

Partnership statistics for the first quarter of 2003 are very encouraging; 98% of policies sold during that period were comprehensive plan designs, which include coverage for care

received in a nursing home, residential care facility or in one's own home. Furthermore, while the partnership targets ages 55-74, 26% of policies sold were to those under age 55. The median age sold during that period was 59, during which time more claims were paid for caregiving at home than the total paid for both nursing homes and residential care facilities combined! So overall, people are buying at younger ages, buying comprehensive plans and using more of the benefits for care at home.

The fact that 26% of policies sold were to those under age 55 is great news for our industry and policyholders alike. All of us want to see Californians able to afford Long Term Care Insurance (LTCi) and the best time to afford a plan is in one's 40s or early 50s. At this time, people are more likely to be working and insurable, and at younger ages, the plans are less expensive. In light of a devastating personal health setback, it is also promising that more people are using home care than facility care.

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However, we can do even better through education! More people need to understand and anticipate the common causes of nursing home placements and should begin planning to avoid them. We can inform them of steps to take that will ensure a dignified future at home. Naturally, LTCI is a key step in planning, and finding ways to help people afford coverage is vital. However, we also need to explain to clients the additional steps to take in order to prepare.

Briefly, these steps are:

- Step I: Long Term Care Insurance
- Step II: Geriatric Care Management
- Step III: Putting Your Wishes in Writing
- Step IV: Getting Allies

These are all discussed in detail in my book. This article will focus on LTCI and how these steps relate to the policy benefits and the sales process.

Home Care. Part of the sale will be to educate the prospect on how and why the home is the preferred place to receive benefits. Think about why you would rather be cared for at home. You are surrounded by familiar things—your pictures, furnishings and items you have chosen for yourself. Even after a lovely vacation, it is always so nice to come home and sleep in your own bed.

When you receive care at home, the caregiver answers only to you. If you need assistance, you do not have to wait. In a facility, the caregiver has many other patients to attend to, and waiting for attention can be very difficult. At home, you enjoy the foods, the music and the television stations of your choice – not so in a facility.

Even if we do find a decent facility, most of us *really* long for our own home. At home our loved ones visit us and can even stay with us. We can share meals and happy times.

No one really wants to be in a nursing facility where the care is determined not by a patient's needs, but often by staff availability. In other words, *if the staff is not available, then one's needs*

...people are buying at younger ages, buying comprehensive plans and using more of the

are not met as promptly as one would like.

Contrast this with having a caregiver at *your* home who can attend to *your* needs as they arise, with no obligation to any other patients. If caregivers at home do not satisfy you and your needs, you have the option to hire someone else, which is not the case in a nursing home. *Your* caregivers can take the time necessary to assist you and to help you help yourself. You should never have to wait hours to be taken to the bathroom or to be helped into a comfortable position.

How to Design LTCI Plans to Help Your Clients Receive Their Care at Home.

Recommend 100% home care on comprehensive plans. Most of us who read this newsletter are already selling

LTCI plans approved by the California Partnership for Long Term Care. Given that 98% of the plans sold during the first quarter of 2003 are comprehensive, during the years these plans pay for care, our clients can use their benefits to pay for caregivers at home. While in some cases home care is less expensive than nursing home care, frequently home care can cost more than nursing home care. When plans offer a choice of 100%, 80% or 50% of the benefit for home care, **we should be recommending 100% home care.** Not only is this level of care vital to the goal of remaining at home but, in addition, it is important to realize that the cost differential is minimal. (See illustration below.)

In fact, at age 50, a married person with preferred health who purchases a modest plan at \$110 per day with a three-year benefit period and a 30-day elimination period with one Partnership company will pay \$839 per year for 100% home care versus \$753 per year for 50% home care. *The difference is only \$86 per year!*

Caregivers and Daily Benefits.

Our California plans allow people to use skilled or unskilled caregivers at home and do not require the use of an agency. Some people in Southern California can find a live-in caregiver for the Partnership minimum of \$110 per day. (Of course, this is for a patient



Comparison of the Cost of LTCi Partnership Plans				
At Age 50 (Preferred Rating)				
At Age 60 (Standard Rating)				
\$110 Daily Benefit, 3 Year Benefit				
Plans Include: Spousal Discount, 30 Day Elimination Period, 5% Compound Inflation Protection				
Age		Annual Premium for a Home Care Equivalent of		
		100%	80%	50%
50 Years	Preferred	\$839	\$801	\$753
60 Years	Standard	\$2,050	\$1,958	\$1,836

who is able to sleep through the night and does not need an awake caregiver 24 hours per day.) On the other hand, if one had chosen a 50% home care benefit, the \$55 per day would not be adequate, and that person is far more likely to enter a facility. Also, if the person receiving the care can manage to use less of the daily benefit at home, then the bucket will stretch beyond the three-year benefit period. As an aside, I have chosen the \$110 per day being discussed here to help determine how a modest-income middle-class person is able to afford to buy some coverage. I do encourage the majority of my younger clients who are upper-middle-class to insure at a higher level with a longer benefit period.

Benefit Levels and Premium

Costs. For a middle-class person to purchase coverage, the best time is in his or her 40s or early 50s. (As mentioned above, during the first quarter of 2003, 26% of plans sold in the third quarter were to people under age 55.) This is good news because it means that more people will be able to afford benefits due to younger ages at the time of application. Those on a strict budget who wait too long may never be able to sustain the premium payments for a decent plan or may no longer be able to purchase any coverage at all. For example, a 50-year-old healthy married person pays

\$839 a year for the above-mentioned modest plan. A married 60-year-old with standard health would pay \$2,050 a year for the same plan. (See illustration on page 2.) Many middle-class Americans will find this to be a financial strain, especially when they have to pay for themselves and a spouse. (72% of those who buy Partnership plans are married.)

Benefit Levels and Affordability. Those who can afford a LTCi contract with rich

*...most of us really long
for our own home. At
home our loved ones
visit us...we can share*

unlimited benefits will be better equipped to weather a long and serious period of incapacity than those with modest limited benefits. However, studies do show that any money coming in to help with caregivers will increase the chance for a person to receive care at home.

Furthermore, the home care benefits that clients collect on a Partnership plan will count toward their asset protection. When the policy benefits are used up and are equivalent to their assets, clients will still have the choice of either continuing to spend their own money on home care or protect assets and accept a facility placement with MediCal.

When trying to find something affordable for clients in their 40s or 50s and the desired benefit level is over their budget, consider the following: Suggest that they purchase minimal coverage with a plan they can afford and increase the benefits later on when some of their other obligations have been met (such as college tuition for their children!). The advantage of starting early is that the benefits will be based on this younger age and will grow with the inflation. When they are in a position to pay for additional benefits, it will be much less expensive to add coverage than to buy the whole amount at the older age. Also, we have *protected their insurability* for this original amount, because we can never assume that anyone will automatically be insurable at a future time.

Some clients who are making a decent living but have modest savings have concerns about whether they will be able to afford their premiums after they retire. These people (especially those with a "C" corporation) may do well to consider a policy that will have premiums due only for ten years or to age 65.

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National LTCi Producers Summit

**NOVEMBER 16-18, 2003
New Orleans**

Join the nation's top 500 Producers November 16-18, 2003 - New Orleans Presented by *Sales Strategies* magazine. A special savings offer from the California Partnership for producers interested in attending the National LTCi Producers Summit in New Orleans, Nov. 16-18, 2003.

If you are interested in knowing where LTCi is headed ...
If you'd benefit by networking with the nation's top LTCi producers...
then check out the program for the Summit.

Registrants can save \$50 by writing CA PARTNERSHIP in the 'Code' box on the registration form. Complete details can be found on the Summit's Website: www.LTCSales.com/summit.html

- Median age is 58 years
- 59% were female
- 69% were married
- 99% bought Comprehensive Policies
- 97% are first-time buyers
- 3% bought one-year policies
- 15% bought two-year policies
- 22% bought three-year policies
- 22% bought four-year policies
- 3% bought five-year policies
- 35% bought lifetime policies

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Understanding the Silent Causes of Nursing Home Placements

In addition to offering LTCI to cover the cost of care, we should help our clients understand the common unanticipated causes of nursing home placements and the planning necessary for future care to be received at home.

Accessibility. A home that is inaccessible to a person in a wheelchair may mean there is no choice but to move into an institutional setting. We can start by encouraging our clients to consider whether or not their home or apartment is wheelchair accessible. Have them imagine that they are trying to enter their home in a wheelchair. Are there stairs to contend with? Is there a bedroom and full bath on the main floor that can be entered in a wheelchair? Is there space to have a live-in caregiver stay with them? If they are married, is there room for a healthy spouse to have some privacy away from all the hustle and bustle of caregivers? Sometimes a healthy spouse can become overwhelmed by the constant activity that caregiving entails and may be inclined to

consider placing the sick loved one in a facility just to restore order to the home. If our clients do not have a wheelchair-accessible home, we should encourage them to take this into account if they move to another location in the future. Plant the idea with your clients that their next move should be to an accessible dwelling with enough room!

There are other unanticipated causes of nursing home placements to be avoided. For example, hospital staff often recommend a nursing home placement and family members frequently take this advice. Therefore, it is important for clients to put their wishes in writing legally and inform their loved ones and doctors that they wish to receive care at home. Furthermore, not everyone has a family member nearby who can oversee their care. In these circumstances, hiring a geriatric care manager in advance who can set up and supervise the care at home is crucial. There is a national organization of GCMs (you can find out about them at www.caremanager.org). They can help your clients make plans to achieve their goal to stay at home by crafting a workable plan against the day when they may need to access their policy

benefits. GCMs can find good caregivers and can work with public and private agencies to get access to needed services.

In conclusion, listen to your clients. If they desire home care, advise them to purchase LTCI with 100% of their benefit at home. Urge people to obtain coverage early even if they can buy only a modest starter plan. Encourage clients to live in wheelchair-accessible homes or apartments, to put their wishes in writing legally and to consider hiring a private geriatric care manager in advance to help them successfully carry out their wishes.

And remember that our clients want their agents to be role models. So do your own planning, too. It will help you sell more and understand the issues and decisions they face. Best of all, you will join your clients in obtaining peace of mind. You, too, will have the ability to spend your final years in comfort and dignity, surrounded by those who love you the most.

Karen Shoff, MSW, MSG, LUTCF is a Long Term Care Insurance specialist in Santa Monica and the author of *There's No Place Like a Nursing Home: 4 Powerful Steps That Will Change Your Life* (ISBN #0-9716847-0-7), priced at \$12.95. It is available by calling 1-(800) Book-Log; at Barnes and Noble book stores; and online at www.LongTermCareLA.com. For bulk orders, call Karen at (310) 581-8080.



more than 15% to justify that increase after pooling all of their long-term care policies. For Partnership, an insurer has to pool all of its Partnership policies for even a 1% increase.

Other good news! Partnership applications for the 2nd quarter of 2003 hit 5,500. Keep up the good work.

Normally, we devote our entire summer newsletter to articles that provide overviews of the information presented in our May Agent Seminars. However, in this issue, we reserved space for a couple of guest authors. It is important to note that we don't necessarily agree with every point made by our guest authors, however, we feel it is important to provide varied information for our readers.

One of our own, Karen Shoff, a Partnership agent in Santa Monica, CA, is a strong advocate for maximizing the home care benefit in LTC policies accompanied by the use of care management to help individuals remain where their heart is – in the nursing home.

Also included in this newsletter is an article, *Value Is in the Eye of the Beholder*, written by Phillip Sullivan, a nationally-recognized speaker and sales trainer specializing in LTCI sales support, training, and education.

In closing, I am happy to announce that we received a wonderful response to our invitation to the industry for entering into an exclusive relationship with us to distribute a Partnership policy through California businesses. We plan to announce the name of our new insurer partner by the end of October.

Read, learn and enjoy. Thank you for your efforts on behalf of California consumers.

4th Annual Intercompany LTCI Conference

The 4th Annual Intercompany LTCI Conference at the Houston Hilton Americas in Houston, TX.

the podium

the podium is a new feature that is intended for agents to have a forum for the exchange of ideas and opinions. In every newsletter, *the podium* will introduce a new topic or question. Agents can express their thoughts on the subject via e-mail and some will be featured in the next newsletter. *the podium* asks:

How do you pursue leads?

E-mail answers to cpltcas@dhs.ca.gov. Please write "the podium" in the subject heading of your e-mail.

Increased Awareness of LTC Insurance Value

Consumers and business are beginning to recognize the value of long-term care (LTC) insurance and are securing this form of insurance, according to the new report, *Passing the Trust to Private Long-Term Care Insurance*, by the American Council of Life Insurers. Consumers are purchasing LTC insurance at younger ages and women are purchasing insurance because of experiences in providing long-term care assistance. Additionally, a growing number of families from cultures that traditionally care for their elders are purchasing LTC protection.

The report shows that today, at least twenty-two states are offering LTC insurance to their employees, and more than one-third of large companies are offering LTC insurance as an employee benefit. Workers in many industries are enrolling in employer-offered group long-term care plans. Even small companies are offering coverage.

The growing interest in LTC insurance may directly correlate with an increased public awareness of the rising costs of long-term care. Nationally, LTC averages about \$16,000 per year for daily visits from a home health care aide and \$57,700 for nursing home care. In the next 30 years, these expenses are expected to quadruple.

The increased interest in securing LTC insurance comes at a perfect time. More than 70 million baby boomers are fast approaching retirement age, and the US Census projects 80 to 90 million Americans will be 65 or older by the year 2030.

PURCHASER SURVEY RESULTS

4th QUARTER

Results for the 4th Quarter Partnership Purchaser Survey are now available. The survey focuses on capturing data not otherwise available through the information reported to the Partnership by its participating insurers, and provides a profile of individuals who purchased a Partnership approved insurance policy and completed the survey. Here are a few highlights from the Executive Summary.

The four principle reasons for those surveyed purchasing LTC insurance were:

1) to pay for future services (98%), 2) to protect spouse and family (78%), 3) to

protect their assets (70%), and 4) as an alternative to transferring assets (24%). 92% of respondents stated it was important or very important to have an affordable premium when selecting a policy, and 90% felt it was important or very important to have coverage for home and community services. Also considered important or very important were the following: coverage for Care Management (86%), no requirement for hospitalization before benefits are paid (92%), advice from their insurance agent or financial planner (77%), and consumer information from the Partnership (69%).

For a complete report of survey findings, go to the Partnership's website at www.dhs.ca.gov/cpltc.



Medi-Cal

Q: If a Partnership LTCI policyholder runs out of insurance benefits and transitions onto Medi-Cal, the LTC facility can move this person from a private room to a semi-private room. However, if the person has an income of \$2,000 a month and wants to pay extra to stay in the private room, can they use this income to guarantee the maintenance of the private room?

A: No. If a LTC facility bills Medi-Cal for services to a beneficiary, the LTC facility is precluded from accepting anything more than the share of cost (SOC) from a Medi-Cal beneficiary (W & I Code, Section 14019.4).

Q: Does the share of cost have to be spent in services specifically pertinent to the nursing home or can some of the share of cost (SOC) be spent obtaining medical/pharmacy/other services not necessarily associated with the nursing home?

A: The Medi-Cal beneficiary in LTC can meet his/her SOC on any medically required care, e.g., acute hospital care, x-rays, lab work or drugs, as long as it is a medical expense. This won't necessarily help the person who just wants to remain in the private room, unless he/she is prepared to pay the entire rate so that the facility won't bill Medi-Cal for the beneficiary's stay.

Please check future publications or the Partnership Website for more information on these topics.

Value is in the Eye of the Beholder

By Phillip Sullivan

Let's examine the Value Added Selling Rule: "Never share the cost before you have established the value." One of the most frustrating challenges encountered while presenting long-term care insurance is being asked repeatedly, "How much is it?" or "How much does it cost?" Clients who preliminarily and repeatedly ask about costs are sending you a signal that they are not interested in determining whether LTCI is appropriate for them. These clients have summarily decided that they don't want to understand how the product works or even what benefits the product may have to offer.

If and when you are faced with this kind of challenging client, there are a few rules you will want to steadfastly adhere to each time. Never share the cost until the value has been established.

1. You must engage your client in a thorough discussion regarding his or her personal needs. If your client doesn't recognize the need, he or she has no reason to own your product.

2. Your client must fully understand the financial and emotional consequences should there be a long-term care need and the client has no long-term care plan in place.

3. Your client needs to clearly understand what it is that he or she is considering buying.

Your client must understand how he or she will benefit if and when care is needed and exactly what the product will do for him or her personally.

So what should you do if your client keeps asking over and over, "How much does it cost?"

When your client repeatedly asks about the cost, stop the sales interview, look your client in the eyes and say:

"That's a very important issue, and we will be getting to that in just a moment. However, before I continue, may I ask whether your primary concern is cost or value? In other words are you looking for the cheapest product available at the expense of benefits or are you trying to obtain the best benefit value for your premium investment?"

Which would you say more accurately describes your question regarding cost?"

The goal is to focus the client on value, not cost. Any discussion of cost that does not also include a detailed discussion of value is wasted time for both you and your client.

If you relent and share the cost before you establish the value, you will be hard-pressed to create enough value for your product in your client's eyes because for the rest of your presentation the only thing on which your client will be able to focus is the cost. Remember when you share the cost before the value has been established, the client starts calculating what he or she has to lose. In other words, she is calculating the vacation she might have to give up or he's determining how many rounds of golf he'll have to forego--everything he or she will have to give up in order to afford the premium.

However, if you create value prior to discussing costs, then your client will be calculating everything he or she has to gain by owning the policy. Your client will be looking at LTCI from an investment perspective as opposed to simply another monthly or yearly expense. Your client will understand why he or she needs long-term care insurance and how he or she will benefit should a long-term care need arise. Once your client perceives the value, the premium becomes insignificant. This is because, in the client's mind, what he has to gain is far greater than the cost of the premium. But that perception can only occur after you have systematically developed value for your product. You cannot allow the client to shortcut your development of need and the creation of value for your product. I understand that when faced with clients who repeatedly ask about the price, our natural inclination is to address the question and show them the cost. As salespeople, we have to overcome that urge and press forward and continue "on our determined track."

There are literally thousands of agents who can throw a price at your client. But how many of those agents can really help their clients work through the complex issues surrounding long-term care and then help them come up with a

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plan that fits their needs and protects them and their families the way LTCI was intended to do?

Remember, selling LTCI is not about price. It's about service and integrity and helping people work through complex issues and make decisions that are right for them. If you feel you are caught in the price game with your clients, stop selling price and start presenting value. Value is in the eye of the beholder. It is our job as salespeople to help our clients understand the product so that they might behold that value. Good Selling!

Phillip W. Sullivan is a nationally-recognized speaker and sales trainer who presents a uniquely designed system of advanced selling and closing techniques tailored specifically for Long-Term Care Insurance sales and is President and CEO of LTCWebsites.com, an Internet-based company specializing in LTCI sales support, training and education. To learn more about their products and services, email info@ltcwebsites.com or visit their website at www.LTCWebsites.com.

17th Private LTCI Conference
June 23-25, 2004
Marriott Wardman Park,
Washington, DC
For information visit:
www.ltcedfoundation.org

State Budget

California's 2003-2004 state budget includes a five percent Medi-Cal rate reduction for doctors, pharmacies and managed-care plans but spares LTC providers. LTC providers will receive a 3.8 percent COLA increase based on a weighted average effective August 1, 2003, but the overall change to reimbursement will not occur until 2005.

What Does It Mean to LTC?

National Nursing Home Costs Are Rising

According to a survey commissioned by GE Financial's Long Term Care Insurance division, the average cost of nursing home care rose by 7% in the last two years. Nationally, the cost ranges from the lowest of \$35,900 (Louisiana) to the highest of \$166,700 (Alaska) annually, with a national annual average cost of \$57,700. The survey evaluated the cost of assistance in nursing homes with activities of daily living (ADL) for a person suffering from a debilitating disease such as Parkinson's. It did not include costs for therapy, rehabilitation, or medications. The survey did not evaluate the cost of assistance with ADLs provided in the home, or other facilities including adult day care centers and assisted care facilities.

The survey is based on 2,218 skilled and intermediate care nursing homes in all 50 states, including 10% to 25% of the licensed nursing homes in 74 individual areas surveyed. The survey has an error rate of plus or minus 1.9%.

The ten most expensive areas for nursing home care included:

RANK	AREA	AVERAGE ANNUAL COST (Rounded up to nearest 00)
1	Alaska	\$166,700.00
2	New York City	\$105,500.00
3	Connecticut	\$97,400.00
4	Boston	\$89,800.00
5	Hawaii	\$84,700.00
6	District of Columbia	\$82,800.00
7	Massachusetts (outside Boston)	\$80,200.00
8	New Jersey	\$80,100.00
9	New York (outside NYC)	\$78,700.00
10	Maine	\$72,800.00

For the purposes of this survey, California was broken into six regions. The state ranked as follows:

RANK	AREA	AVERAGE ANNUAL COST (Rounded up to nearest 00)
16	SF/Oakland/SJ	\$67,100.00
21	San Diego County	\$62,900.00
28	No. California (outside SF/Oakland/SJ)	\$60,500.00
31	So. Calif. (outside LA & San Diego Counties)	\$58,300.00
43	Central California	\$53,700.00
47	Los Angeles County	\$52,500.00

new studies

PRIVATE FINANCING OF LONG-TERM CARE: CURRENT METHODS AND RESOURCES

Phase I of this study reviewed current demographic trends, pointing out the rapid increase in the elderly population to be expected over the next 50 years. Principal findings: Medicaid is expected to pay about 45% of the nursing home bill under current financing methods, but if 20% of the elderly were to purchase long-term care insurance, Medicaid expenditures would be reduced by about 8%. If the percentage buying insurance increased by 50%, the Medicaid savings would be about 23%. [For full report go to <http://aspe.hhs.gov/daltcp/whatsnew.shtml>]

PROSPECTIVE OUTCOMES OF INFORMAL AND FORMAL HOME CARE: MORTALITY AND INSTITUTIONALIZATION

The specific aim of this study was to determine whether home-based care, when provided by certain types of caregivers or by particular combinations of caregiver types, is more effective than other home-based care arrangements in preventing or delaying mortality and admission to a nursing home for elderly persons with dependencies in activities of daily living. The results may surprise you. [For full report go to <http://aspe.hhs.gov/daltcp/whatsnew.shtml>]



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(800) 205-2020

GE Financial Assurance
(800) 354-6896

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(800) 377-7311

New York Life Insurance
(800) 224-4582

ANY QUESTIONS?

The Partnership welcomes questions from agents. If you have specific questions about CPLTC policies or are seeking information on topics related to long-term care and long-term care insurance, we're happy to help you. Please call the Partnership office at (916) 552-8990.

To be removed from our mailing list, please e-mail your request to cpltcas@dhs.ca.gov or call the Partnership at (916) 552-8990.

In Brief...

WE'VE MOVED

The California Partnership for Long-Term Care has moved into the new Department of Human & Health Services building on Capitol Avenue in Sacramento. Our new mailing address is MS 4100, PO Box 942732, Sacramento, CA 94234-7320. You can contact us at (916) 552-8990 and fax us at (916) 552-8989.

ITP UPDATE

The CPLTC is in final negotiations leading to the selection of a long-term care insurance provider that will offer an individual and group Partnership product through California employers. This company will also be distributing a Partnership product through the individual market. Once negotiations are complete, we will announce the selected insurance carrier. At that time, we will also provide further information on product availability.

Offering this product through California employers is a major initiative and will be accompanied by billboards and other advertising in major California markets.

SALES UPDATE

During the second quarter of 2003, the Partnership reports that 5,546 Partnership policies were sold in California.

LEGISLATIVE UPDATE

SB 121

This bill was introduced by Bob Margett in February 2003. SB 121 Allows a tax credit equal to 30% of the cost of long-term care or long-term care insurance for a taxpayer or the taxpayer's parent. Provides that the credit shall not exceed \$300 for each taxpayer or \$600 for taxpayers filing jointly. SB 121 is currently held in the Senate Revenue and Taxation Committee.

AB 1523

This bill was introduced by Bonnie Garcia in February 2003. AB 1523 would establish a tax credit for up to \$1,000 per family member for the cost of long-term care insurance incurred by the taxpayer during the taxable year. Should the credit exceed the tax, the remaining credit may be carried over to succeeding years. AB 1523 is currently held in the Assembly Revenue and Taxation Committee.